

**MURRAY STATE UNIVERSITY
AGENCY BOND POOL AUTHORITY
RENOVATION OF HART HALL WATERLINES**

ACTION
Agenda Item H-8
May 21, 2001

Recommendation

The staff recommends that the council authorize \$1,500,000 from the 2000-02 agency bond pool to Murray State University for an emergency waterline project in Hart Hall. The staff also recommends that Eastern Kentucky University be commended for volunteering to reduce its agency bond authorization to assist Murray State University.

Background

Murray State University has requested agency bond authority for an emergency project to replace the waterlines in Hart Hall, a student dormitory. MuSU has requested authorization to issue \$1.5 million in agency bonds for the project. The project would replace all domestic water supply lines, water closets, sinks, and showers in Hart Hall, and the failing heating boiler in Franklin Hall. Connections will be installed for the fire pumps in Hart, White, and Regents halls.

The 2000-02 Appropriations Bill (House Bill 502) enacted by the 2000 General Assembly authorized a \$35-million agency bond pool for postsecondary education institutions. Debt service is to be paid by revenue other than the state General Fund.

The council approved the allocation of the entire \$35-million agency bond pool at its September 18 and November 13, 2000, meetings. The allocations did not include funds for this emergency project. Eastern Kentucky University has volunteered to reduce the scope of its capital project for Fraternity Row housing so MuSU can issue agency bonds for the emergency project. ECU is reducing the scope of its housing project from \$4 million to \$2.5 million (\$2.3 million agency bonds and \$200,000 restricted agency funds). The ECU project includes building the first phase of the fraternity housing.

The reallocation of \$1.5 million of agency bond authority from ECU to MuSU will keep the council recommendation within the total legislatively authorized agency bond amount of \$35 million. MuSU plans to issue the agency bonds in June 2001. The debt service for the Hart Hall waterline project will be funded from housing revenue.

Following council action, the staff will forward the council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

Staff Preparation by Sherron Jackson

2000-2002 CAPITAL PROJECTS
AGENCY BOND POOL PROJECT DESCRIPTION
May 21, 2001, Council Meeting

Eastern Kentucky University

Revised - Greek Housing Development (total agency bond authority \$2.3 million) - This project provides for the development of the first phase of a Fraternity Row. It will install infrastructure for the total housing development. However, the scope of the project will be reduced to accommodate the reduction in available funds. The original project included six structures designed to house 25 students each. Total project scope is \$4 million but is reduced to \$2.5 million (\$2.3 million agency bonds and \$200,000 restricted agency funds).

Murray State University

Renovate Hart Hall Dormitory Waterlines (total agency bond authority \$1.5 million) - This project provides for the renovation of Hart Hall waterlines and is an emergency repair that address three critical needs in the residence hall. The project will replace all domestic water supply lines, water closets, sinks, and showers, as well as allowing for various related repairs. Also, the project will replace the failing heating boiler in Franklin Hall and install the electrical tap connections for the fire pumps in Hart Hall, White Hall, and Regents Hall. Total project scope is \$1.5 million.